I. VISN 23 Black Hills Health Care System

II. Dates of Visit: July 8 and 9, 2003

III. Sites Visited During Trip

a. VISN 23, Network Office
b. Hot Springs, SD
c. Fort Meade, SD

IV. Commissioners/Staff in Attendance

Commissioner John Kendall
Commissioner Richard McCormick
Commission Staff: Nicheole Amundsen, Carolyn Adams

V. Summary of Meeting with VISN/Medical Center Leadership

a. Names and titles of Attendees at VISN Inbriefing

Randy Petzel, MD, Network Director
Rob McDivitt, Deputy Network Director
Kathleen Harrison, Network Planner and CARES Coordinator

b. Summary of Meeting with VISN and Health Care System Leadership ~ Network Office:

Dr. Petzel briefed Commissioners and staff on key issues in VISN 23. He identified 4 issues as key; the recent integration of VISNs 13 and 14, the rural nature of the VISN, the large size of the VISN and the large Native American population served by the Network.

Native Americans are the largest minority in the Network, are medically underserved, typically have a number of health problems and have difficulty with transportation to care. One area of focus is outreach to reservations. The CARES data predicts a decrease in enrollment by 2012 in some areas and in all areas by 2022. Only the Minneapolis Market has predicted growth. Much of the VISN is considered to be rural and highly rural and access to care is the biggest issue in the Network. Dr. Petzel indicated that they are planning to address access issues with CBOCs and with contracts for hospital care. Dr. Petzel believes that the current CARES plan will improve access to care but will not result in the Network meeting the access standards for outpatient or for hospital care. He also indicated that due to the highly rural nature of the VISN, it is not practical to strive to meet the goal.

Dr. Petzel indicated that one significant issue is the recent combining of VISNs 13 and 14 into VISN 23. The have been a number of challenges to combining cultures as well a business practices and they are still working through some issues. The Network is organized around 6 service lines, which include Primary Care, Specialty Care, Mental Health, Extended Care, Imaging and Laboratory. Six of the Senior Executive medical center directors are also responsible for the leadership of a care line across the Network, which Network leadership believes helps to

facilitate all facilities working together. There are also a Network Integrated Business Office and a Capital Asset Office.

Dr. Petzel described the CARES process in VISN 23. He indicated that they had broken the planning into CAMPS, one for each Market, and that each Market area had included a number of stakeholders and involved them in the development of the plan. He indicated that there was generally good stakeholder support for the plan. He also noted that after the initial plan was submitted to Central Office the Under Secretary for Health sent a number of plans related to small facilities back to Networks for further review and this included Hot Springs. He indicated that there are now some stakeholders who are concerned about possible changes. He indicated that the initial plan called for Hot Springs be converted to a Critical Access facility and after further review that is still what the Network believes should be done. Dr. Petzel believes this has been well received in Central Office. He indicated that he believes it is of concern that long-term care (LTC) and Domiciliaries were not included in this round of CARES as you don't get a full picture of what is present of what is needed. He also indicated that other than Knoxville, VISN 23 didn't deal with LTC or Dom beds in this phase of CARES.

Dr. Petzel discussed the plans for the four facilities that are on the small facility list. In Hot Springs, SD, inpatient medicine, surgery and ICU would be closed but they would retain critical access beds. St. Cloud will close remaining acute medicine beds. Some acute care will be provided through contracts and the rest would be provided in Minneapolis. St. Cloud will retain its acute psychiatry beds as there is no capacity in the community and Minneapolis can't absorb the workload. Knoxville, IA will be closed and patients moved to Des Moines. Moving the Knoxville patients to Des Moines will raise the number of beds needed at Des Moines enough to remove it from the small facility list.

They discussed the numbers and costs of projects identified in the CARES plan, which range from about $870,000 to $22 million. The total projected construction costs are about $60 million for the Network. He noted that what they need to address their largest need, access to outpatient and hospital services, is not capital investments but recurring dollars for contracts and staff and he wasn't sure how that was going to be addressed in CARES.

c. Names and titles of Attendees at Black Hills Health Care System Inbriefing

Network Staff
Rob McDivitt, Deputy Network Director
Black Hills Health Care System Staff
Joseph Dalpiaz, Director and Chief Operating Officer
Michael Davies MD, Chief of Staff
Gwendolyn Schroeder, Associate Director Patient Services
Herb Doering, Staff Assistant to the Director
Jeff Honeycutt, Chief of Community Affairs
Steve English, AA to the Chief of Staff
William Baker, Chief Facilities Management
Robert Phares MD, Associate Chief of Staff for Mental Health
Susan Haden, Business Office Manager
Gwen Healey, Secretary Director's Office

d. Summary of Meeting Black Hills Health Care System Leadership ~ Hot Springs and Fort Meade

i. Meeting Forum:

The meeting was informal with VISN and facility leadership in attendance.

ii. What did we learn about Hot Springs:

The next nearest VA hospital is over 90 miles away and must travel to Fort Meade through Rapid City to get there. There is a small community hospital in Hot Springs and it is designated as a Critical Access Hospital. It was closed for some time in the recent past due to financial difficulties and was reopened in 2000. Finances remain tenuous. The local community hospital is not JCAHO accredited but is accredited by the state. The community hospital provides Critical Access inpatient beds, nursing home beds and assisted living.

Hot Springs provides health care services for the Hot Springs State Veterans Home, which is the only State Veterans Home in South Dakota and houses about 500 residents. About 40% of Hot Springs' enrollees come from northwestern Nebraska and receive most of their care in Hot Springs.

Hot Springs provides acute dialysis services for the Black Hills Health Care System and for the Hot Springs community. About one-half of their 20 acute patients come from the community. Hot Springs does about 10 ambulatory surgeries per day and surgeons come from Fort Meade to do surgery and to conduct surgical specialty clinics. Medical specialty clinics are also conducted at Hot Springs and are staffed by physicians from both Hot Springs and Fort Meade.

About 25% of Hot Springs' patients are Native American. One CBOC is located between two reservations and serves a primarily Native Community. A new PTSD clinic has recently been opened on the Rosebud reservation. Transportation is extremely difficult for Native Americans and they depend on the VA to provide transportation. Market penetration for Fall River County where the Hot Springs facility is located is about 77% and is similar in the counties just to the south where the Pine Ridge and the Rosebud Indian Reservations are located. Indian Health Service (IHS) provides only primary care services and contracts for all specialty care. Medical center staff indicated that because the IHS budget is low, they encourage veterans to use the VA and they do. This has led to the Native American veterans in the area being very dependent on the Hot Springs VA for their care.

The Hot Springs site has a large campus with large overhead expenses. There is a National Cemetery that is closed to burials and Hot Springs VAMC provides some maintenance. They also maintain a full time fire department as required by central office, which costs several hundred thousand dollars a year to maintain. The Hot Springs Campus is comprised of a number of buildings, some of which are historic. There are no plans for building or reconfiguring space at Hot Springs.

The Black Hills Health Care System has a sharing agreement with Ellsworth Air Force Base and provides CAT scan, podiatry and nutrition services to Ellsworth.

VA has hired a dermatologist and a neurologist that is used by both VA and DOD.

iii. Commissioner/Staff Impressions of Tour of Hot Springs:

Commissioners and staff toured the domiciliary, outpatient clinics and inpatient space, including the dialysis unit, the inpatient unit, the surgical clinics and operating room. They also toured the grounds and outbuildings on the campus. During the tour Commissioners spoke with a number of employees.

Commissioners found employees to be knowledgeable about the CARES plan and some reported being involved in the process. All buildings and grounds were well maintained and clean. Inpatient and outpatient space is good quality. Outpatient surgery; operating rooms and surgical clinic space is excellent. Providers have two to three exam rooms per provider, which is consistent with what is provided in the private sector.

Domiciliary space meets minimally acceptable standards given the relatively young population and the short stay. Space minimally meets privacy standards; communal bathrooms are common. Most buildings are not air-conditioned and to access patient rooms, patients must be able to climb stairs or walk up a wheel chair accessible inclines.

iv. What did we learn about Fort Meade

Fort Meade is in a rural setting about 30 miles outside Rapid City. It is on a very large campus with a large number of out buildings. There is a good deal of overhead associated with these buildings and 240 acres of grounds. There are over 40 quarters for employees and students, most of which are occupied. There are no plans to build or reconfigure any space at Fort Meade.

The CARES space driver indicated that there was over 100,000 Square feed of excess space. On visiting the site the Commissioners learned that much of that space is currently leased and occupied by the South Dakota National Guard and the Bureau of Land Management. Excess vacant space is considerable less that identified in the space driver

The Nursing Home Care Unit (NHCU) was built for 120 beds and the Average Daily Census is about 84. Fort Meade staff attributes the low census to staffing. There is not a long list of patients awaiting admission to the unit and there are only about 10 veterans placed in community nursing homes. The NHCU primarily admits patients that are candidates for rehabilitation though they have about 8 hospice beds and about 10% of their patients have been there for longer than a year.

To address the access to primary care issues, the plan for both Fort Meade and Hot Springs calls for reopening two CBOCs that have been temporarily closed, e.g., Pine Ridge and Lame Deer MT and for expanding services in others. No new CBOCs are proposed for the Black Hills system.

v. Commissioner/Staff Impressions of Tour of Fort Meade

Commissioners and staff toured ambulatory care, inpatient, surgical and long-term care units in the main hospital as well as drove throughout the campus.

They saw buildings that were leased to other agencies and those that were used for VA. Commissioners talked with a number of staff.

The clinical space, both inpatient and outpatient is in good condition and it was clean and well maintained. The NHCU was about 2/3 occupied and staff indicated that they generally did not have waiting lists for admission except for the hospice beds, which were generally full. Staff was knowledgeable about the CARES process and seemed to have been involved in the process.

vi. Findings/Outstanding Questions/Follow-up Items

1. The western part of the state is medically underserved and does not meet access to care standards.
2. The CARES plan will not result in meeting the access standards and the Network does not believe that it is practical or cost-effective to do so.
3. Further explore possible opportunities and the cost-effectiveness of small contracts with local MD groups to improve overall access to outpatient care.
4. Despite the rural locations of the facilities, they are able to recruit and retain good staff.
5. Hot Springs plays an important role in the care of Native American veterans in the area who have few other options for health care and market penetration for the counties around Hot Springs exceed 70%.
6. Leaving Hot Springs open as a Critical Access Hospital makes sense for the following reasons;
    a. If it is closed, the 40% of veterans that come from Nebraska will have an unreasonable distance to travel for hospital services
    b. The State Veterans Home in Hot Springs depends on the facility for all its health care needs, including hospitalization for veterans.
    c. There needs to be some acute or sub acute services available for Domiciliary and ambulatory care patients that require stabilization or for more intense treatment.
    d. The community hospital is not a reasonable or dependable option for providing hospital services. It has closed once in the recent past, is currently on shaky financial ground and it is not JCAHO accredited.
    e. It provides key services to the community and if closed would require community residents to travel over 90 miles for dialysis or for admission for observation and stabilization at times. (The ambulance service is voluntary and not always available for transport.)
    f. Nebraska residents report that there is not timely access to other Nebraska facilities.
7. Further explore why the Hot Springs community needs two Critical Access Hospitals and if there are opportunities for collaboration between the VA and the community. Both hospitals in the community have a low census and high overheads.

8. Clarify the reasons for the low census in the Fort Meade Nursing Home and the decision to focus their admissions primarily on rehabilitation.
9. Further explore how the Network plans to balance the need to improve access and an overall decline in the need for inpatient and outpatient services.

b. Summary of Stakeholder Meeting(s)

i. Describe Meeting Forum

Met over an informal lunch at the Hot Springs Campus.

ii. Stakeholders Represented

Kathy Maynard, President AFGE, Fort Meade
Patrick Russell, President AFGE, Hot Springs
Jill Westbrook, Congressman Janklow's Office
Carl Oberlitner, Mayor, City of Hot Springs
Dave Stoh, SD Division of Veterans Affairs
Chris Blair, Senator Johnson's Office
Mary Crawford, Senator Hagel's Office
Wayne Vetter, State Commander, AL Department of SD
H.G. Kroschell, State Commander, DAV, Department of SD
Stan Seymour, State Commander, VFW, Department of SD
Gene Eiring, State Veterans Home, Hot Springs
Virgil Hagel, VSO, Gordon, NE
Lew Midgett, VSO, Box Butte County, NE
Mark Weaver VSO, Cherry County, NE
Dale Bessey, VSO, American Legion, Valentine, NE
Pee Wee Douthit, VSO, Fall River County, SD
Jerry Lolley, VSO, Meade County, SD
Ron Ehlers, VSO, Sheridan County, NE
Donald Clarke, VSO, South Dakota State Veterans Commission

iii. Topics of Discussion

Stakeholders indicated that they had been involved in the CARES process and know what is in the plan that was sent from the Network. They indicated that they understood that Hot Springs had been sent back for further review and expressed some concerns that the plan would change. One county service officer indicated that he supported the concept of a Critical Access Hospital and that it should have happened some time ago. He also believed that VA needed to continue to provide some type of hospital services in Hot Springs.

Stakeholders from Nebraska made it clear that Hot Springs was their facility and if it closed they would have to travel much further, which is unacceptable to them. They also made the point that Nebraska veterans have already lost services. Both Grand Island and Lincoln no longer have inpatient services. Two or three VSOs from Nebraska indicated that the waiting lists to be seen in outpatient care in the Omaha system were very long and the drive was unacceptable.

There was a general concern expressed by the majority of those who spoke that in large urban areas like Washington, DC, there is lack of understanding of or concern about rural health care. Stakeholders felt that rural health care is

undervalued, that there is a tendency to just look at numbers of veterans involved and to judge rural health care as not economically prudent or cost-effective. They felt there is a lack of understanding that in many rural areas health care alternatives as there are in urban areas. There is a lack of understanding or appreciation of the issues of available transportation to health care and the distances involved. Veteran stakeholders wanted the Commissioners to know that rural America generally provides more people per capita to the military than urban areas and that they were very patriotic. They hoped that because VA had more actual numbers of veterans to serve in urban areas that they wouldn't forget rural veterans.

Other discussions dealt with VA's role in providing health care education and the importance of that role in rural areas. The point was made that if providers train in rural areas they are more likely to stay or to settle in rural areas and, in this way, VA's role in providing health care education had a very important impact on overall health care in rural America. One stakeholder discussed the importance of the role Hot Springs played in treating Native Americans. Another talked about overall concerns about how VA is going to manage and address long term care and was concerned that it was left out of this round of CARES. The Director of the State Veterans Home discussed how critical the VA was in providing health care to his residents.

iv. Findings/What did we learn?

1. VSO's are generally knowledgeable about and support the plan and have been involved in the process.
2. Stakeholders are concerned that what was planned, discussed and agreed to about Hot Springs might be overturned in Washington.
3. Veteran stakeholders do not believe that Washington DC understands issues related to rural health care and are concerned that Washington will view the needs for services from a numbers and economic point of view and not from an analysis of need.
4. Concerns exist about the possible closure of Hot Springs and the effects it will have on the community, veterans from Nebraska, the State Home and the Native population.
5. There is interest in having more CBOCs and to expand the capacity in existing CBOCs.
6. Employees are generally supportive of the plan and have been involved.
7. There is a need to further explore waiting times and access to Nebraska facilities.

v. Outstanding Questions/Follow-up Items

None

Submitted by Nicheole Amundsen, Commission Staff

Approved by: Dr. John Kendall, Commissioner
Dr. Richard McCormick, Commissioner